

**HEALTHCARE SUBCOMMITTEE
RECOMMENDATIONS FOR FY 2016-17
TO THE PROVISO SUBCOMMITTEE**

SECTION 33 - J020 - DEPARTMENT OF HEALTH AND HUMAN SERVICES

33.15 **AMEND** (~~SCHIP~~ CHIP Enrollment and Recertification) Requires the department to enroll and recertify eligible children in the State Children’s Health Insurance Program using available state agency program data housed in the Revenue and Fiscal Affairs Office, the DSS Food Stamp program, and the Department of Education’s Free and Reduced Meal eligibility data.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “SCHIP” to “CHIP” and “Food Stamp program” to “Supplemental Nutritional Assistance Program (SNAP).” *Reflects new program names.* Requested by Department of Health and Human Services.

33.15. (DHHS: ~~SCHIP~~ CHIP Enrollment and Recertification) The Department of Health and Human Services shall enroll and recertify eligible children to the ~~State~~ Children’s Health Insurance Program (~~SCHIP~~ CHIP) and must use available state agency program data housed in the Revenue and Fiscal Affairs Office, to include the Department of Social Services’ ~~Food Stamp program~~ Supplemental Nutritional Assistance Program (SNAP) and the Department of Education’s Free and Reduced Meal eligibility data. Use of this data and cooperative efforts between state agencies reduces the cost of outreach and maintenance of eligibility for ~~SCHIP~~ CHIP.

33.19 **DELETE** (Disproportionate Share - DMH) Directs the department to transfer funds to DMH to make up any shortfall in disproportionate share funding due to rule changes from the Center for Medicare and Medicaid Services.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *CMS issued a Final Rule dated 12/3/14 that amended the definition of uninsured. Now that the definition of uninsured is determined on a service-specific basis the department is no longer harmed by the original definition of uninsured.* Requested by Department of Health and Human Services.

33.19. (DHHS: Disproportionate Share - DMH) ~~For the current fiscal year, the department is directed to transfer funds to the Department of Mental Health to make up any shortfall in disproportionate share funding due to rule changes from the Center for Medicare and Medicaid Services from the latest federal fiscal year amount. The department must also take any necessary action, including the submission of an amendment to the State Medicaid Plan, to minimize the impact of disproportionate share funding redistribution to the Department of Mental Health in future years.~~

33.24 **DELETE** (Hospital Transformation Plans) Directs the department to continue a program to help qualifying hospitals transition to more sustainable models of service delivery that meet the needs of the community and reduces reliance on inpatient admissions, surgery or high-tech diagnostics. Directs the department to develop the methodology for funding and distributing award amounts and limits total state funds available for this purpose to \$15,000,000. Requires progress reports be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by January 1st and June 1st, 2016.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The department announced in FY 14-15 that it did not intend to continue this program after FY 15-16 since they believe any meritorious proposals that meet the program’s criteria will have been funded by the end of FY 15-16.* Requested by Department of Health and Human Services.

33.24. (DHHS: Hospital Transformation Plans) ~~The Department of Health and Human Services shall continue a program to help qualifying hospitals transition to more sustainable~~

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~~models of service delivery that meet the needs of their community and reduce reliance on inpatient admissions, surgery or high tech diagnostics. This includes encouraging new long term partnerships between rural hospitals and community, tertiary and teaching facilities to ensure seamless, timely and high quality clinical care for patients in rural areas of the state. Notwithstanding the provisions in its existing regulations, for the current fiscal year, the Department of Health and Environmental Control, may in its discretion, make exceptions to applicable licensing standards and regulations where it is determined that the exception will assist in the successful implementation and operation of the plans developed by the Department of Health and Human Services pursuant to this provision; the health, safety, and well being of the community will not be compromised by the exception; and provided that the standard is not specifically required by statute. The program shall provide funding that fully or partially offsets the one time costs of these transitions. The department shall develop the methodology for funding award amounts and distribution and may prioritize funding to target hotspots of poor health and/or limited health care access. Total state funds available statewide for transition funding shall not exceed \$15,000,000, less funds allocated during the prior fiscal year, and the department may leverage federal funds or other funding mechanisms to maximize resources as appropriate and approved by CMS. Plans must be submitted to the department on or before April 1, 2016. No partnership may receive an allocation in the current fiscal year that would result in it having received more than \$4,000,000 in cumulative support through the hospital transformation program. The department shall provide reports detailing progress on transformation efforts to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by January 1, 2016 and by June 1, 2016.~~

- 33.25** **DELETE** (Healthcare Workforce Analysis) Directs the department to transfer \$200,000 to AHEC for the Office of Healthcare Workforce Analysis.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The department states they transferred these funds from reserves and does not have a recurring source of funds to continue to transfer funds. AHEC has made a separate budget request. Requested by Department of Health and Human Services.*

~~**33.25.** (DHHS: Healthcare Workforce Analysis) Of the funds appropriated to the Department of Health and Human Services, the department shall transfer \$200,000 to the Area Health Education Consortium (AHEC) for the Office of Healthcare Workforce Analysis.~~

- 33.26** **DELETE** (Healthy Connections Prime Participation) Directs that Healthy Connections Prime is limited to individuals who affirmatively elect to participate until April 1, 2016, after which the department may begin passively enrolling participants.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *After 4/1/16 the department may begin passively enrolling participants so the proviso will no longer be needed after FY 15-16.*

~~**33.26.** (DHHS: Healthy Connections Prime Participation) In the current fiscal year participation in Healthy Connections Prime shall be limited to individuals who affirmatively elect to participate until April 1, 2016, at which time the department may begin passively enrolling participants.~~

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SECTION 34 - J040 - DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

34.11 AMEND (DHEC: Sickle Cell Programs) Specifies funding of \$761,233 for sickle cell prevention and education programs, testing, counseling and newborn screening services provided by the four existing Community Based Sickle Cell Programs and for funding the sickle cell medical services provided by the Community Based Sickle Cell Program at DHEC. Prohibits the department from reducing Sickle Cell program funds below the current funding level.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to direct existing Community Based Sickle Cell Programs to provide counseling for families of newborns who test positive for sickle cell trait or other similar blood traits upon referral from DHEC. *Enable DHEC to share results of positive newborn screenings directly with the Community Based Sickle Cell Programs.* Requested by Department of Health and Environmental Control.

34.11. (DHEC: Sickle Cell Programs) \$761,233 is appropriated for Sickle Cell program services and shall be apportioned as follows:

(1) sixty-seven percent is to be divided equitably between the existing Community Based Sickle Cell Programs located in Spartanburg, Columbia, Orangeburg, and Charleston; and

(2) thirty-three percent is for the Community Based Sickle Cell Program at DHEC.

The funds shall be used for providing prevention programs, educational programs, testing, counseling and newborn screening. The existing Community Based Sickle Cell Programs will provide counseling for families of newborns who test positive for sickle cell trait or other similar blood traits upon referral from DHEC. The balance of the total appropriation must be used for Sickle Cell Services operated by the Independent Living program of DHEC. The funds appropriated to the community based sickle cell centers shall be reduced to reflect any percent reduction assigned to the Department of Health and Environmental Control by the Executive Budget Office; provided, however, that the department may not act unilaterally to reduce the funds for the Sickle Cell program greater than such stipulated percentage. The department shall not be required to undertake any treatment, medical management or health care follow-up for any person with sickle cell disease identified through any neonatal testing program, beyond the level of services supported by funds now or subsequently appropriated for such services. No funds appropriated for ongoing or newly established sickle cell services may be diverted to other budget categories within the DHEC budget. For the current fiscal year, the department shall not reduce these funds below the current funding level.

34.25 AMEND (Health ~~Facility~~ Facilities Licensing Monetary Penalties) Authorizes the department to retain the first \$100,000 of civil monetary penalties collected from penalties assessed by the Division of Construction/Fire & Life Safety. Directs the funds only be used to carry out and enforce the regulations that apply to the division. Requires regulations for nursing home staffing to provide a minimum of 1.63 hours of direct care per resident per day from non-licensed nursing staff; maintain at least one licensed nurse per shift for each staff work area; and to enforce all other staffing and non-staffing standards.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “Division of Construction/Fire & Life Safety (DCFLS)” to “Bureau of Health Facilities Licensing (BHFL)” and change fiscal year reference to “the current fiscal year.” *Reflect the proper reference for retained monetary penalties since DHFC can only initiate enforcement through BHFL.* Requested by Department of Health and Environmental Control.

34.25. (DHEC: Health ~~Facility~~ Facilities Licensing Monetary Penalties) In the course of regulating health care facilities ~~and~~ and services, the ~~Division of Construction/Fire & Life Safety~~

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~~(DCFLS)~~ *Bureau of Health Facilities Licensing (BHFL)* assesses civil monetary penalties against nonconforming providers. ~~DCFLS~~ *BHFL* shall retain up to the first \$100,000 of civil monetary penalties collected each fiscal year and these funds shall be utilized solely to carry out and enforce the provisions of regulations applicable to that division. These funds shall be separately accounted for in the department's fiscal records. Regulations for nursing home staffing for ~~Fiscal Year 2015-16~~ *the current fiscal year* must (1) provide a minimum of one and sixty-three hundredths (1.63) hours of direct care per resident per day from the non-licensed nursing staff; and (2) maintain at least one licensed nurse per shift for each staff work area. All other staffing standards and non-staffing standards established in Standards for Licensing Nursing Homes: R61-17, Code of State Regulations, must be enforced.

- 34.43** **AMEND** (Residential Treatment Facilities Swing Beds) Allows residential treatment facilities to swing/convert up to 18 beds to acute psychiatric beds. Includes stipulation the conversion would have to comply with federal CMS rules and regulations.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to "2016-17."

34.43. (DHEC: Residential Treatment Facilities Swing Beds) For Fiscal Year ~~2015-16~~ *2016-17* in coordination with the South Carolina Health Plan and to improve access for acute psychiatric beds as patient populations demand, Residential Treatment Facilities (RTF) may swing up to eighteen beds per qualifying facility to accommodate patients with a diagnosis of an acute psychiatric disorder. In order to qualify to utilize swing beds a facility must meet the following criteria: the facility must currently have both licensed acute psychiatric and residential treatment facility beds, the RTF beds must meet the same licensure requirements as the existing licensed acute psychiatric beds, and any facility utilizing swing beds must keep the acute and RTF patient populations separate and distinct. The utilization of swing beds must also comply with all federal Centers for Medicare and Medicaid Services rules and regulations.

- 34.49** **AMEND** (Abortion Clinic Certification) Requires non-hospital facilities licensed and certified by DHEC to perform abortions to provide a report to DHEC before January 31, 2015, on the number of physicians that performed an abortion at the facility between July 1 and December 31, 2014 who did not have admitting and staff privileges at a local certified hospital; and to provide certain summary information on the level of aftercare resulting from the abortion. Requires a \$25 filing fee be remitted by the facility to the department along with the report.
SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update calendar year references to "2017" and "2016." Requested by Department of Health and Environmental Control.

34.49. (DHEC: Abortion Clinic Certification) Prior to January 31, ~~2015~~ *2017*, a facility other than a hospital that is licensed and certified by the department to perform abortions must file a report with the department that provides the number of physicians that performed an abortion at the facility between July 1, ~~2014~~ *2016* and December 31, ~~2014~~ *2016*, who did not have admitting privileges at a local certified hospital and staff privileges to replace on-staff physicians at the certified hospital and the percentage of these physician in relation to the overall number of physicians who performed abortions at the facility. The report must include a summation of any abortion that resulted in an outcome which required a level of aftercare that exceeds what is customarily provided by physicians in such cases in accordance with accepted medical practice and indicate whether or not the abortion was performed by a physician with admitting privileges at a local certified hospital and staff privileges to replace on-staff physicians at the certified hospital. Any summation of any abortion must not divulge any information that

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is privileged or required to be maintained as confidential by any provision of law. An applicable facility must remit a twenty-five dollar filing fee to the department for the report required by this provision.

SECTION 36 - J160 - DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

36.16 DELETE (LAC Audit Recommendations Report) Requires the department provide a status report containing particular information on the implementation of recommendations contained in a specific LAC report on the department to the Chairmen of the Senate Finance and House Ways and Means Committees and be prominently posted on the department's website by December 31, 2015.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been completed.*

~~36.16. (DDSN: LAC Audit Recommendations Report) The department shall provide a status report on the implementation of the recommendations contained in the Legislative Audit Council's report "S.C. Department of Disabilities and Special Needs' Process to Protect Consumers from Abuse, Neglect, and Exploitation, Administrative Issues, and a Follow Up to Our 2008 Audit". The report shall include, but not be limited to, a delineation of each Legislative Audit Council recommendation and the status of the department's actions regarding each recommendation. If no action was taken on a recommendation, an explanation as to the reason shall be included in the report. The report shall be provided to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee and shall be prominently posted on the department's website no later than December 31, 2015.~~

SECTION 37 - J200 - DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES

37.4 DELETE (Health Information Technology) Directs the department to work with DHHS and each county's designated alcohol and drug abuse authorities to seek funding to help purchase the appropriate Certification Commission for Health Information Technology behavioral health Electronic Health Records system for the authorities. Require the departments work together to determine if there is additional funding available through Medicare, the Medicaid EHR Incentive Program or other grant programs to help offset the costs associated with implementing the new system.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Task has been accomplished.* Requested by Department of Alcohol and Other Drug Abuse Services.

~~37.4. (DAODAS: Health Information Technology) The Department of Alcohol and Other Drug Abuse Services shall work with Department of Health and Human Services and each county's designated alcohol and drug abuse authorities to pursue funding to aid in purchasing the appropriate Certification Commission for Health Information Technology (CCHIT) behavioral health Electronic Health Records (EHR) system for the authorities. The new system shall streamline the 301 system and shall contain CCHIT certified programming that will have the capability of interoperability with other state agencies such as the Department of Health and Human Services and Federally Qualified Health Centers. The Department of Alcohol and Other Drug Abuse Services and the Department of Health and Human Services shall work together to determine if additional funding may be available to assist in offsetting the costs associated with the new system implementation through the Medicare and Medicaid EHR Incentive Program or any other grant programs.~~

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SECTION 38 - L040 - DEPARTMENT OF SOCIAL SERVICES

38.18 AMEND (Child Care Voucher) Requires state funds allocated to DSS and used for child care vouchers to be used to enroll eligible recipients within the provider settings that exceed the state's minimum child care licensing standards. Allows the department to waive the requirement on a case by case basis.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the authority for the department to waive the requirement. Requested by Department of Social Services.

38.18. (DSS: Child Care Voucher) State funds allocated to the Department of Social Services and used for child care vouchers must be used to enroll eligible recipients within provider settings exceeding the state's minimum child care licensing standards. ~~The department may waive this requirement on a case by case basis.~~

SECTION 117 - X900 - GENERAL PROVISIONS

117.91 AMEND (Means Test) Requires all agencies that provide Healthcare Services to identify standards and criteria in order to means test all programs they provide, if federal guidelines allow such a test. Directs agencies, once consistent criteria has been established, to implement their plan. Requires each agency to report criteria and fiscal data to the Chairmen of the Senate Finance and House Ways and Means Committees by January 1, 2014.

SUBCOMMITTEE RECOMMENDATION: AMEND to update calendar year reference to "2017."

117.91. (GP: Means Test) All agencies providing Healthcare Services are directed to identify standards and criteria for means testing on all programs provided, where allowed by Federal guidelines. Once a consistent criteria has been established within an agency, they shall implement their respective plans. Each agency shall report all criteria and fiscal data to the Chairman of the Senate Finance Committee and to the Chairman of the House Ways and Means Committee no later than January 1, ~~2014~~ 2017.

117.102 DELETE (Sexually Violent Predator Treatment RFP) Requires the Directors of the Departments of Mental Health and Corrections to develop and issue a RFP to seek proposals from qualified private providers to provide secure housing and treatment services to persons who have been civilly committed to DMH under the Sexually Violent Predators Act. Directs that the RFP be issued by October 31, 2013.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *RFP has already gone out - awaiting JBRC approval.*

117.102. (GP: Sexually Violent Predator Treatment RFP) ~~The Director of the Department of Mental Health and the Director of the Department of Corrections shall cooperate with the State Fiscal Accountability Authority, Division of Procurement Services which shall develop and cause to be issued a Request for Proposals (RFP) seeking long term solutions for securely housing and treating the growing population of individuals adjudicated as Sexually Violent Predators and civilly committed to the Department of Mental Health pursuant to the Sexually Violent Predators Act.~~

~~The purpose of the RFP shall be to seek proposals from qualified private providers to provide secure housing and treatment services to all individuals civilly committed pursuant to the Sexually Violent Predators Act.~~

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~~As part of the process, the Department of Mental Health, the Department of Corrections, and the State Fiscal Accountability Authority shall provide up to date information concerning the current operation of the program and shall provide information about suitable state owned real property. The RFP shall be issued on or before October 31, 2013.~~

~~The RFP shall be worded broadly to allow respondents to propose creative and cost effective long term solutions for the operation of this program in order to address the issues raised in Proviso 23.15 of the 2012-13 State Appropriations Act and the resulting January 3, 2013, Report on the SVP Program issued by the Department of Mental Health and the Department of Corrections.~~

~~In addition to treatment services, respondents shall be allowed, but not required, to propose a single source solution with responsibility for all aspects of the program including but not limited to housing, security, food, clothing, health care, transport, and treatment services. The RFP shall allow for, but not require, respondents to include in their responses the use of other private or public partners (subcontractors) and/or the lease or use or purchase of state owned real property.~~

~~The selected contractor may be authorized to sponsor the issuance of tax exempt certificates of participation or other finance solutions to fund the project and the state is authorized to enter into a lease/purchase agreement for the necessary replacement facilities.~~

117.119 DELETE (Sickle Cell Disease Study Committee) Creates a 13 member Sickle Cell Disease Study Committee to examine existing services and resources available to children and adults with the disease. Directs the committee to establish partnerships with institutions and communities for a statewide network of service providers and a comprehensive education and treatment program for adults with the disease, and to establish standardized treatment and emergency room protocols. Directs findings and recommendations be reported to the General Assembly and the Governor by June 30, 2016, at which time the study committee will be dissolved.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Committee is to be dissolved on June 30, 2017.*

~~**117.119.** (GP: Sickle Cell Disease Study Committee) Of the funds authorized and appropriated to the Department of Health and Environmental Control, a Sickle Cell Disease Study Committee shall be created and charged with better serving adults with sickle cell disease (SCD), health care providers, and the public about State care and treatment. The committee is to examine existing services and resources available to children with the disease as well as adults with the disease. Additionally, the committee is to establish partnerships with institutions, and communities, a statewide network of service providers for adults with the disease; a comprehensive education and treatment program for adults, as well as establish standardized treatment and emergency room protocols.~~

~~Membership of the committee shall be comprised of thirteen members as follows:~~

~~(1) one researcher or physician from the Medical University of South Carolina specializing in hematology;~~

~~(2) one researcher or physician from the Children's Hospital Sickle Cell Clinic at the Medical University of South Carolina;~~

~~(3) one citizen with Sickle Cell Disease;~~

~~(4) one parent or caregiver of an individual with Sickle Cell Disease;~~

~~(5) the Executive Director of the SC Hospital Association or their designee;~~

~~(6) the President of the South Carolina Medical Association or their designee;~~

~~(7) the Superintendent of Education or their designee;~~

~~(8) the Director of the Department of Health and Environmental Control or their designee;~~

~~(9) the Director of the Department of Health and Human Services or their designee;~~

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~~(10) two members of the House of Representatives appointed by the Speaker of the House, one of whom the Speaker shall designate as a co chair of the study committee; and~~

~~(11) two members of the Senate appointed by the President Pro Tempore of the Senate, one of whom the President Pro Tempore shall designate as a co chair of the study committee.~~

~~The study committee also may invite representatives of nonprofit entities with expertise regarding Sickle Cell Disease to participate in the study committee process.~~

~~The House of Representatives Medical, Military and Municipal Affairs Committee and the Senate Medical Affairs Committee shall designate staff to assist the study committee.~~

~~The study committee shall provide a report with findings and recommendations to the General Assembly and the Governor by June 30, 2016, at which time the study committee shall dissolve.~~

SECTION 118 - X910 - STATEWIDE REVENUE

118.11 AMEND (Tobacco Settlement) Directs expenditure of Tobacco Master Settlement Agreement (MSA) funds for Fiscal Year 2015-16.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to "2016-17."

118.11. (SR: Tobacco Settlement) (A) To the extent funds are available from payments received on behalf of the State by the Tobacco Settlement Revenue Management Authority from the Tobacco Master Settlement Agreement ("MSA") during Fiscal Year ~~2015-16~~ 2016-17, the State Treasurer is authorized and directed, after transferring funds sufficient to cover the operating expenses of the Authority, to transfer the remaining funds as follows:

(1) \$1,253,000 to the Attorney General's Office for Diligent Enforcement and Arbitration Litigation; \$450,000 to the State Law Enforcement Division for Diligent Enforcement; and \$325,000 to the Department of Revenue for Diligent Enforcement, all to enforce Chapter 47 of Title 11, the Tobacco Escrow Fund Act; and

(2) The remaining balance shall be transferred to the Department of Health and Human Services for the Medicaid program.

(B) The requirements of Section 11-11-170 of the 1976 Code shall be suspended for Fiscal Year ~~2015-16~~ 2016-17.